

Message Text

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ACTION ARA-10

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FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 8264

C O N F I D E N T I A L TEGUCIGALPA 4293

E.O. 11652: GDS

TAGS: ECON, ETRD, SWEL, HO

SUBJECT: AMBASSADOR'S MEETING WITH MR. MICHAEL M. ROTOLO,
GENERAL MANAGER, STANDARD FRUIT COMPANY

1. ON SUNDAY, OCTOBER 6TH I FLEW INTO LACEIBA
AND MET WITH MR. ROTOLO, HONDURAN STANDARD
FRUIT MANAGER AND WITH STANDARD'S DIRECTOR OF
INDUSTRIAL RELATIONS EDGAR OLESEN.
ACCOMPANYING ME WAS MR. LOWELL KILDAY OF
ARA/CEN WASHINGTON. MESSRS. ROTOLO AND OLESEN
PRESENTED A SERIES OF GRAPHICS TO ILLUSTRATE THE
EXTENT OF DAMAGE RECEIVED TO PLANTING IN THE AGUAN
VALLEY. HE STATED THAT THEIR RAILROAD HAD BEEN PUT
BACK IN WORKING ORDER AND THAT SUPPLIES CAN NOW
MOVE FROM THE LACEIBA DOCKS AND WAREHOUSES INTO THE
ENTRANCE OF THE AGUAN VALLEY. FURTHER MOVEMENT
IS NOT POSSIBLE BECAUSE ROADWAY TRANSIT IS AT A STAND
STILL AS A RESULT OF SEVERAL WASHED OUT BRIDGES.

2. DOCKS HAVE BEEN PUT BACK INTO WORKING ORDER AND
LA CEIBA IS ABLE TO RECEIVE LARGE SHIPMENTS. STANDARD
WAREHOUSES ARE NOT YET OVERTAXED BUT COULD BECOME
SO IF GOODS WERE TO BE SHIPPED IN AND NOT MOVED
OUT READILY.

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3. STANDARD HAS ASKED THE GOVERNMENT OF HONDURAS

FOR PERMISSION TO LAY OFF THEIR ENTIRE WORK FORCE.
HOWEVER, MR. ROTOLO POINTED OUT THAT THIS MOVE
WAS MADE IN ORDER TO KEEP ALL THEIR OPTIONS OPEN.
HE DOES NOT ANTICIPATE A SITUATION IN WHICH ALL OF
THE STANDARD WORKERS WOULD BE UNEMPLOYED.

4. MR. ROTOLO POINTED OUT THAT SO FAR STANDARD
RESOURCES HAVE BEEN ABLE TO COMPLY WITH MOST DEMANDS
MADE OF THEM (IN CONNECTION WITH THE RECEIPT AND
HANDLING OF EMERGENCY SUPPLIES) THIS HAS INCLUDED
UNLOADING THE DOCKS, TEMPORARY WAREHOUSING,
LOADING ON RAILROAD CARS, SHIPMENT INTO THE INTERIOR
AGUAN VALLEY AND UNLOADINGS. HE SAID THAT A MOUNTING
PROBLEM IS THAT OF DIFFERENTIATING BETWEEN PAID
EMPLOYEES AND PEOPLE WHO ARE DESTITUTE. AS GOODS
ARE BEING SHIPPED OUT AND DISTRIBUTED IT IS BECOMING
INCREASINGLY IMPOSSIBLE TO MAKE THIS DIFFERENTIATION
AND THEY ARE BECOMING ALARMED ABOUT THE
PROSPECTS OF A LONG TERM PERIOD OF DEPENDENCY.

5. I ASKED MR. ROTOLO IF THEY HAD DIFINITELY DECIDED
ON A FULL SCALE ATTEMPT TO REHABILITATE ALL THEIR
RUINED PLANTINGS. MR. ROTOLO REPLIED THAT THEY
HAD A BOARD AND STOCKHOLDERS TO RESPOND TO AND
THAT IT WAS NOT YET DETERMINED THAT STANDARD WOULD
ATTEMPT A COMPLETE REHABILITATION.

6. COMMENT: PRIOR TO FIFI THE CHINESE EMBASSY
HAD PRESENTED A STUDY TO STANDARD OFFICIALS ON THE
PROSPECTS OF INITIATING FULL SCALE RICE CULTURE. THE
STANDARD OFFICIALS HAD BEEN ADMITEDLY COOL TO THE
IDEA BUT NOW MR. ROTOLO SAYS THEY ARE GOING TO
CONTACT THE CHINESE EMBASSY HERE TO "AT LEAST STUDY
THE MATTER FURTHER".

7. DURING MY VISIT TO LA CEIBA I AVOIDED ATTEMPTS
MADE BY THE CHAIRMAN OF THE LOCAL DISTRIBUTING
COMMITTEE AND THE LOCAL POLITICAL GOVERNOR TO TAKE
ME ASIDE FOR A PRIVATE MEETING. SINCE INTERNAL
POLITICS CONTINUES TO PRESENT PROBLEMS THOSE
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PEOPLE SINCERELY WORKING TO RECEIVE AND DISTRIBUTE
EMERGENCY SUPPLIES, I FELT IT BEST NOT TO EXACERBATE
THIS PROBLEM BY GETTING TRAPPED INTO SERVING AS A
CATAYALST IN THE DEVELOPMENT OF FURTHER INTRAMURAL
SQUABBLES. I DIDN'T, HOWEVER, ACCEDE TO THE SUGGESTION
OF OUR LABOR OFFICER THAT I SPEND SOME TIME WITH
LABOR LEADER NAPOLEON ACEVEDO WHO HAD COME TO
THE AIRPORT AT LA CEIBA TO INTERCEPT ME. RESULTS

OF THIS MEETING (AT WHICH I WAS JOINED BY LOWELL
KILDAY) ARE COVERED BY SEPTTEL.
SANCHEZ

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